

# LEGISLATIVE AUDIT COMMISSION



Review of  
Department of Public Health  
Two Years Ended June 30, 2005

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**REVIEW: 4250**  
**DEPARTMENT OF PUBLIC HEALTH**  
**TWO YEARS ENDED JUNE 30, 2005**

**FINDINGS/RECOMMENDATIONS - 16**

**ACCEPTED - 9**  
**IMPLEMENTED - 7**

**REPEATED RECOMMENDATIONS - 7**

**PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 8**

This review summarizes the auditors' report of the Illinois Department of Public Health for the two years ended June 30, 2005, filed with the Legislative Audit Commission April 25, 2006. The auditors performed a compliance examination in accordance with State law and *Government Auditing Standards*.

The Department of Public Health promotes the health of the citizens of Illinois through the prevention and control of disease and injury. The Department, in partnership with local health departments and other agencies, employs population-based approaches in its prevention programs. The Department carries out its mission through six major program areas: Policy, Planning and Statistics; Health Promotion; Health Care Regulation; Health Protection; Women's Health; and Preparedness and Response.

During the two-year period under review, Dr. Eric Whitaker was the Director of the Department. Dr. Whitaker was appointed Director effective April 1, 2003. He was not formerly employed by the Department.

The average number of employees was:

<b>Division</b>	<b>FY05</b>	<b>FY04</b>	<b>FY03</b>
Director's Office	63	40	60
Finance and Administration	137	175	199
Policy, Planning and Statistics	76	69	71
Health Promotion	65	72	73
Health Care Regulation	319	312	350
Health Protection and Laboratories	397	387	418
Women's Health	19	21	16
Preparedness and Response	42	44	0
<b>TOTAL</b>	<b>1,118</b>	<b>1,120</b>	<b>1,187</b>

### **Expenditures From Appropriations**

The General Assembly appropriated \$357,362,652 to the Department in FY05. Of the total appropriation, \$122,787,293 was from the General Revenue Fund, and the remaining \$234.6 million was from 41 other funds. Total expenditures were \$296,378,918 in FY05 compared to \$269,778,363 in FY04, an increase of \$26,600,555, or 9.9%. Appendix A presents a summary of appropriations and expenditures for FY03-FY05 by both fund and major object code. The increase was due primarily to increases in lump sums (\$18.6 million) and awards and grants (\$8.2 million) from the General Revenue Fund and the Public Health Services Fund. Lapse period expenditures were \$44.3 million, or 14.9%, in FY05 compared to \$35.9 million, or 13.3%, in FY04.

### **Cash Receipts**

The Department of Public Health has collection responsibility for licenses, fees, or other types of revenue that are deposited into the General Revenue Fund. The Department's General Revenue Fund cash receipts decreased from \$6.1 million in FY04 to about \$3.5 million in FY05. Overall receipts were up \$22.1 million, from \$145.8 million in FY04 to almost \$168 million in FY05, largely due to an increase in federal grants for public health services (\$19.3 million). The increase in receipts (\$3.7 million) for the Public Health Special State Projects Fund was due to PA 93-0829 which authorized the Department to deposit indirect cost reimbursements into this Fund instead of GRF. The decrease in the Public Health Services Revolving Fund (\$1.2 million) was due to fewer funds being transferred for sexually transmitted disease testing. Appendix B provides a summary of the Department's cash receipts.

### **Property and Equipment**

Appendix C provides a summary of property and equipment for which the Department was accountable during FY05 and FY04. The value of the Department's property and equipment decreased from \$30,218,962 as of June 30, 2004 to \$29,708,246 as of June 30, 2005. The value of the Department's equipment is by far its largest asset at almost \$29.7 million.

### **Activities and Performance Indicators**

Appendix D provides a summary of the Department's activities and performance indicators. The information was taken directly from the Agency's Service Efforts and Accomplishments forms for FY05 and FY04.

### **Accountants' Findings and Recommendations**

Condensed below are the 16 findings and recommendations included in the audit report. Two are repeated from prior audits. The following updated responses are presented on the basis of information provided by Dr. Eric Whitaker, Director, via electronic mail received October 26, 2006.

#### **Accepted or Implemented**

- 1. Only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Department's budget.**

**Findings:** The Department of Public Health (Department) made payments for efficiency initiative billings from improper line item appropriations.

The Department received three FY04 billings totaling \$2.5 million, and two billings in FY05 for savings from efficiency initiatives totaling more than \$900,000.

The Department could not provide documentation for the FY04 billings from CMS detailing where savings were to occur nor did CMS provide evidence of savings for the amounts billed. Department staff reported they had not experienced any significant savings from the efficiency initiatives. The Department made payments in FY04 for the billings not from line item appropriations where the cost savings were anticipated to have occurred but based on an attempt to spread the payments across different funds to encompass the Department as a whole. As examples, \$235,000 was specifically appropriated for "Childhood Immunization Program", \$86,000 was for mosquito abatement, and \$79,000 was for lead screening follow-up services.

The FY05 billings from CMS contained more detail on where CMS determined the Department saved monies. However, it appears the Department paid these billings in a manner similar to the previous fiscal year. The Department paid 81% of the billings from lump sum appropriations.

**Response:** Accepted. As previously identified by the Auditor General in other agency compliance audits, this Department also received multiple efficiency billings from DCMS in FY 04 and FY05 with limited documentation. The Department did make several efficiency payments from contractual services, equipment and information technology line items that most closely aligned themselves with the efficiency initiative billings. However, without additional cost documentation, the department allocated its remaining payments to appropriations that allowed the greatest flexibility to manage administrative costs, i.e., lump sum appropriations. Also, as the finding correctly points out, the Department did attempt to allocate payments, in addition to GRF, from other non-GRF State funds. It was

**Accepted or Implemented - continued**

our belief that the DCMS cost savings initiatives would impact administrative operations in most all of our various operating funds and not solely impact GRF appropriations. It should be noted that no federal funds or income tax check-off funds were impacted, and no service cuts were taken as a result of any efficiency payment.

**Updated Response:** Implemented. No further update is necessary as the department has not received or paid any additional efficiency payments in FY2006 or FY2007.

- 2. Comply with the State Officials and Employees Ethics Act by developing a written policy regarding timekeeping requirements and requiring employees to submit timesheets recording time spent on official State business to the nearest quarter hour.**

**Findings:** The Department of Public Health (Department) did not comply with the State Officials and Employees Ethics Act. The Department did not have written policies and procedures for timekeeping and reporting hours worked on official State business. In addition, the timekeeping system used by the Department did not document hours spent each day on official State business by employee.

**Updated Response:** Accepted. The Illinois Department of Public Health (IDPH) functions with a robust decentralized time keeping system which provides for the documentation of time worked by employees. The system is made up of individual unit time keepers, who are physically located in different Divisions and Regions of the Agency. The decentralized timekeepers enter the employees' time into the computer system. Time not spent on state business, i.e. benefit time, is recorded on "Request for Time Off" slips and submitted for authorization by supervisory personnel. Employees are educated on this process during their initial orientation to the Agency.

Modifications to this mainframe DCMS timekeeping system have been in the planning stages however, as the centralization of Human Resources activities, such as timekeeping, is an anticipated part of the Shared Services Project (SSP), IDPH has continued to use the existing decentralized timekeeping system. In the interim, IDPH does have in place a policy whereby all senior management staff record time spent on state business to the nearest quarter hour. This time is logged on separate weekly time sheets which are kept on file.

- 3. Comply with SAMS and Governmental Accounting Standards Board requirements to ensure accurate financial information is submitted to the Office of the State Comptroller. Further, review and revise as necessary the current system used to gather and document the financial information that will be reported in the Office of the State Comptroller GAAP Reporting Package Forms. (Repeated-2003)**

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**Findings:** The Department of Public Health (Department) did not correctly report financial information on the Grant/Contract Analysis (SCO-563) form to the Office of the State Comptroller. The Department prepares a separate SCO-563 form for six funds. The auditors noted the following errors:

- The Department did not calculate (estimate) deferred revenues correctly for federal grants on one form. The Department received an additional \$1.798 million in revenues during the first 60 days of the next fiscal year, resulting in the Department overstating deferred revenues and understating revenues by \$1.798 million.
- The Department did not include a non-cash award on one form. The non-cash award was for commodities received from the federal government totaling \$24.575 million. As a result of not including this non-cash award on the SCO-563, the Department also did not recognize the revenue and expenditure of the non-cash award in the GAAP Package.

Department personnel indicated that they believe that the estimated value of deferred revenue was accurate. In regard to the non-cash award, Department personnel indicated that they were unaware of the requirement to record non-cash awards on the SCO-563 form or in the GAAP Package.

**Response:** Accepted. The Department calculated the deferred revenue based on the availability of funds at the time of the GAAP package completion (August 26, 2005) without taking in consideration the funds that could be available during the last five days of the lapse period. We have changed our process to have an estimate for the revenue that will be made available during the remainder of the lapse period. The Department was under the assumption that only cash assistance is reportable on the SCO-563. We have also changed our process to report all non-cash awards or any direct assistance received from the federal government on the SCO-563 and recognize it as revenue and expenditure in the GAAP package.

**Updated Response:** Accepted. The Department has completed the most recent GAAP Package on time and in accordance with the SAMS procedures and with GASB statements by making the following reporting adjustments to FY06 GAAP Statements.

- 1) The Department has calculated an estimate for revenues received from the federal grants during the two month lapse period accurately. The Department therefore did not understate the federal revenue or overstate the deferred revenues for FY06.
  - 2) The Department has included the non-cash assistance of vaccine on the SCO-563 form. The Department also has recognized the non-cash (direct) assistance as a current year revenue and expenditure in the FY 2006 GAAP statements.
- 4. Report Capital Assets accurately and in accordance with the procedures outlined in the SAMS manual to ensure that capital asset information is accurately reported to the Office of the State Comptroller. Further, utilize updated capital asset information when preparing the Capital Asset Summary.**

**Accepted or Implemented - continued**

**Findings:** The Department did not accurately report capital asset information on the Capital Asset Summary (SCO-538) form to the Office of the State Comptroller for fiscal year 2005. The Department did not utilize property records as of June 30, 2005 when preparing the SCO-538. The auditors noted the following errors:

- The additions to capital assets on the SCO-538 were reported as \$1,342,000. However, the Department's records indicated that the additions for the year ended June 30, 2005 should have been \$1,603,000. This resulted in an understatement of \$261,000 in additions on the SCO-538.
- The Department's ending capital asset balance at June 30, 2005 was reported as \$15,146,000. However, the Department's property records indicated that the capital asset balance at June 30, 2005 was \$16,340,000. This resulted in an understatement of \$1,194,000 in the capital asset ending balance at June 30, 2005.
- The Department did not record assets not being capitalized correctly on the SCO-538, which resulted in an understatement of capitalized assets of \$212,000. Additionally, the Department did not accurately report accounts payable for five of the seven funds on the SCO-538, which resulted in a net understatement of payables of \$49,000. Overall these errors resulted in a net understatement of capital outlays of \$261,000.

Department personnel indicated that it used outdated capital asset information when completing the SCO-538, GAAP Capital Asset Summary.

**Response:** Accepted. Due to new staff preparing this report and being unfamiliar with where the data was drawn from, the SCO-538 was not consistent with the Department's expenditure records. Since that time, staff now know all accurate reporting procedures and policies. New reports have been created to ensure that all equipment and commodity purchases are now reflected on agency reports and are used on the SCO-538. Reconciliation reports have also been implemented to ensure that all relevant detail object codes are captured and all capitalization thresholds are accurate.

**Updated Response:** IDPH has now implemented a new report and procedure that will ensure all equipment purchases are reconciled and included on SCO538.

- 5. To protect the security and integrity of the Department's resources, and to protect the privacy of citizens of the State of Illinois, the Department should:**
- **Thoroughly review security parameters and access privileges to all sensitive information.**
  - **Properly protect information that can be used to compromise IT security and limit access only to individuals who require access to perform job duties.**
  - **Activate auditing and monitoring options to assist in detecting security**

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violations.

- **Ensure employees review security policies and procedures at least annually and sign a statement acknowledging they have read, understand, and agree to comply with the policies and procedures.**

**Findings:** The Department relies greatly on computer systems to fulfill its mission to promote the health of the people of Illinois through the prevention and control of disease and injury. The Department collected, maintained, and stored a significant amount of sensitive information. The auditors identified the following computer security weaknesses related to one of the Department's legacy systems:

- Security parameters did not comply with the Department's information technology policies;
- Default passwords had not been changed;

Additionally, the following computer security weaknesses related to the Department's network environment:

- Accounts with no password requirements, no password change interval, no password history maintained, and unlimited number of grace logins;
- Accounts not disabled or deleted for terminated employees within timeframes outlined by Department policy;
- Inappropriate patch levels maintained;
- Lack of computer security awareness, auditing and monitoring.

During the review, the Department provided a test account with access rights comparable to the privileges issued to a standard external user. With this user account, the auditors were able to obtain a significant amount of sensitive information (which could compromise computer security), which should not have been available to the type of user account being tested. The information included, but was not limited to:

- Business continuity plans;
- Network diagrams; and
- Server configuration listings.

Management stated due to staffing shortages manual auditing and monitoring tasks were not performed as required and security policies and procedures have not been updated to meet the changing environments.

**Response:** Accepted. The Department has taken the following steps to ensure the issues defined will be resolved.

- Security issues raised concerning the legacy system have been modified to meet standards with documented acceptable exceptions.

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- IT Security continues to coordinate efforts with IT Coordinators throughout the Department with regard to user account maintenance to include both reporting of security parameter standards by account and associated rights for data to insure that access is limited based upon job duties.
- Access to sensitive information posted to the Department's Intranet such as Communicable Disease data, Personnel, Accounting and Business Continuity plans has been restricted to provide appropriate levels of disclosure based upon function or role.
- The Department will continue to work with CMS to ensure network monitoring is adequate based on these findings.
- Lack of security awareness is being resolved via coordination with the Department's Training Center staff to include security awareness training along with other mandatory training for employees.

**Updated Response:** Implemented. Security issues with the one legacy system identified in this finding have been fully addressed and corrected. All other systems have been checked and are monitored for any similar issues. We have established procedures involving Personnel, IT coordinators and IT security administration to ensure User ID's of terminated employees are disabled in a timely manner. We have ensured that access to any sensitive and confidential technical information is restricted to those with a need for the data.

**6. Perform and document tests of the disaster recovery plan. Include all critical computing platforms and systems in testing as well as adequate documentation. Additionally, subject all Category One applications to annual recovery tests performed at an off-site location. Continuously update the plan to reflect environmental changes and improvements identified from tests.**

**Findings:** The Department did not have a current Disaster Recovery Plan and had not performed comprehensive disaster recovery testing.

The Department has identified 11 applications as Category One (directly impacts the lives and safety of citizens) on the Statewide Critical Application Listing. One of the criteria for a Category One application is the annual recovery testing at an off-site location. In June 2005, the Department conducted limited component testing on one of the critical applications. The Department had not conducted annual recovery testing at the off-site location on any other application in the last two years.

In addition, the Department had not conducted recovery testing of its local area network, which contained three critical applications. Additionally, at this time the Department would be unable to recover the web-portal and applications due to lack of equipment and a recovery site, if necessary.

The Department had established a Disaster Recovery Plan, which "details the precise

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instructions and actions required to recover the time critical information technology systems and services.” However, the Plan contained outdated information and had not been reviewed in the last year. Additionally, the Department had not developed a disaster recovery plan for one of the Department’s Category One applications.

Management stated due to staffing and equipment shortages the Department was limited in their ability to adequately test local area network critical applications.

**Response:** The Department has worked diligently for the past two years defining a Business Continuity Program to protect its constantly changing programs and large number of resources and continues efforts to maintain plans for all Category One applications as they are identified. The Department will coordinate efforts with the Department of Central Management Services to perform tests on each of the current applications defined in the plan.

**Updated Response:** Implemented. The Department recently completed two comprehensive engineering and user business continuity tests at recovery sites in two cities. These tests involved the Department’s critical 24-48 hour applications that are hosted on midrange equipment. We are working with Central Management Services to test the critical applications that reside on their mainframes. Our Business Continuity/Disaster Recovery plan which is on the department’s Intranet site is continually updated as changes to our applications and environments occur.

### **7. Ensure independent reviews of major computer systems are performed. If the Illinois Office of Internal Audit is to perform the reviews, ensure the Office is informed of all major computer system development projects.**

**Findings:** During the engagement period, an independent and mandated review of a major computer system was not performed.

The Department put into service an electronic disease reporting system in order to identify unusual illness trends and to provide a defense to bio-terrorism attacks. The system reports information to the U.S. Center for Disease Control on 77 mandated reportable human diseases from the 94 local and state health departments on a weekly basis. The system maintains sensitive citizen health information, which is required to be sufficiently protected and comply with the U.S. Center for Disease Control security rulings. The system was implemented in March 2004; however, to date an independent review has not been conducted.

The system is expected to cost approximately \$10 million, with approximately \$4 million being spent to date on contractors and hardware.

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Failure to review major systems or major modifications to those systems is contrary to the intent of the Fiscal Control and Internal Auditing Act and sound business practices. The lack of independent reviews could result in undetected security or integrity problems in new or modified computer systems.

Management stated formal procedures to notify the Illinois Office of Internal Audit staff of new computer developments have not yet been established.

**Response:** Accepted. Since the consolidation of internal audit function, the Department has provided a list of projects to the Office of Internal Audit (IOIA) and coordinated efforts to perform risk assessments to determine the level of IOIA involvement during the development and implementation of each project. Several of which have been identified as requiring auditor involvement and an auditor at the IOIA has been assigned to work with Department staff based upon IS Development methodology standards to ensure the development is performed appropriately. As a part of the development methodology, notification of new projects and major modifications are sent to the IOIA for inclusion in the Department's "Project" list.

**Updated Response:** The Illinois Office of Internal Audits has recently performed preliminary risk assessments on three of our systems. We also recently provided them an updated list of all of our systems and projects with estimated implementation dates. Internal Audits will be involved in all upcoming system development projects as well.

### **8. Comply with the various reporting requirements or seek legislative remedy for statutory mandate provisions. (Repeated-1997)**

**Findings:** The Department did not adhere to various reporting requirements established by State law as follows:

- The Illinois Welfare and Rehabilitation Services Planning Act requires the Department to prepare and submit to the General Assembly a comprehensive plan providing for the best possible use of available resources for the development of the State's human resources and the provision of social services by the Department. The plan was to be submitted on or before April 1, 2005.

Department personnel stated the report due in April 2005 was not submitted since the Department did not provide direct services as it did prior to the formation of the Department of Human Services.

- The Nursing Home Care Act requires the Department to convene a task force to assess the feasibility and curriculum for a Certified Nurse Assistant Career Ladders Program. The task force shall report its findings and recommendations to the General Assembly on or before January 1, 2002. The Department has convened a task force, however the task force has not started the Career Ladders program and the report has

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not been submitted to the General Assembly as required.

Department personnel stated that the Certified Nurses Aide (CNA) Regulations Update committee determined that the CNA Training Program Regulations first needed to be updated (original regulations published in 1979) before the committee could begin the Career Ladders program. Once the review is complete, the Department will be ready to start the actual Career Ladders program.

- The Nursing Home Care Act requires the Department to report to the General Assembly by April 1 of each year upon the performance of its State long-term care facility licensure inspections, survey and evaluation duties and its actions in enforcement under this Act, including the number and needs of Department personnel engaged in such activities. The report due April 1, 2004 was filed in August 2004 and the report due April 1, 2005 was filed in August 2005.

Department personnel stated that the submission of the Long Term Care Annual Report was late because information and data needed to complete the report was not finalized until the end of March, and compiling all the data and the required approvals takes two to three months to complete. The Department intends to introduce legislation to change the submission date of the report to July 1, to reflect a more realistic due date.

**Updated Response:** Accepted and Partially Implemented. The Illinois Welfare and Rehabilitation Services Planning Act relates to those agencies which provide direct services to the public. The Act names eight such agencies, including IDPH. The Act should be amended to delete reference to IDPH since IDPH does not provide direct services to the public and has not done so since the formation of the Department of Human Services and the transfer of the WIC programs from IDPH to DHS.

The Department has completed the Certified Nurse Assistant (CNA) Training regulations update and currently have nurse educators writing the curriculum. A survey was sent to facilities and CNA training programs encompassing facility administrators, Directors of Nursing, current CNAs and CNA educators. The purpose of this survey is to see if providers would pay for an advanced CNA and what tasks they would consider valid for an advanced category. A report of the Nurse Career Ladders Program progress is included in the Nursing Home Care Act Annual Report submitted to General Assembly.

To provide accurate survey data for the Annual report to the General Assembly, the program must wait until all pertinent survey statistics are available. This precludes the program from beginning to collate the data until May. For the past several years, the program has listed as a legislative initiative the revision of the reporting date from April 1 to July 1. The program has again developed a legislative initiative to move the report date from April 1 to July 1. The reports to the General Assembly required by the Nursing Home Care Act and the Abused and Neglected Long Term Care Facility Residents Reporting Act are combined into a single document. The report date for the abuse and neglect reporting

**Accepted or Implemented - continued**

statute is July 1. The legislative initiative to change the nursing home statute will make the dates for both reports the same.

**9. Perform inspections and issue licenses as required by the Youth Camp Act. (Repeated-2003)**

**Findings:** The Department did not perform camp inspections and did not issue license renewals upon expiration of previous licenses in the following instances:

- Forty of 124 (32%) 2004 youth camps that operate yearly were issued renewal licenses 8 to 602 days after the expiration date of December 31, 2003.
- Twenty of 124 (16%) 2004 youth camps that operate during the summer months were issued renewal licenses after the youth camp had already started.
- Twenty-seven of 111 (24%) 2005 youth camps that operate yearly were issued renewal licenses 45 to 216 days after the expiration date of December 31, 2004.
- Three of 111 (3%) 2005 youth camps that operate during the summer months were issued renewal licenses after the youth camp had already started.
- The Department issued 4 licenses to youth camps where an inspection had not been performed.

The Youth Camp Act requires the Department to inspect the youth camp before issuing any license. All licenses shall expire on December 31 of the year of issue and shall be reissued annually upon application. The Act also indicates that it shall be unlawful for any person to establish, maintain, conduct or operate a youth camp within this State without obtaining a license by making application to the Department on a prescribed form. Such applications shall be made at least 45 days prior to the proposed opening date of the camp.

Department personnel stated that there were several issues that impacted the youth camp-licensing program. The data system being used to generate licenses was problematic due to the closure of the Data Entry Division, as a result, licenses were issued late. In cases where an inspector found violations, the camp was given a period of time to correct the violations which cause the licenses to be issued a significant amount of time after the expiration of the previous license. In some instances, camp owners failed to properly execute the renewals, pay the appropriate fees or accommodate the Department's inspection, resulting in the license being issued after the expiration date. In addition, Department personnel stated that due to staffing issues in the regional offices, annual inspections are sometimes out of sync with the licensure renewal resulting in licenses being issued before an inspection is performed.

**Response:** The renewal period is at the end of the calendar year when most camps are not in operation, e.g. summer camps. Consequently, some renewals are sent to the camp

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and no one is there or addresses may have changed. In the last few months Department staff have initiated a licensing data base that allows for immediate access to licensing information (versus an antiquated mainframe system). License renewal applications and licenses are now generated internally. The Department will stress the importance to the licensee of any address changes at the time of the inspection and in the license renewal letter for the next and following licensure years.

**Updated Response:** Accepted. The Division has sent legislative initiatives to the Governmental Affairs to amend the expiration date of the licenses. The data system that was initiated by the Division has been beneficial in issuing the licenses in a timely fashion. Letters will be submitted with the license renewal applications stressing that any necessary changes be made with the license information.

### **10. Comply with the requirements of the Illinois Migrant Labor Camp Law by inspecting and licensing migrant labor camps in accordance with State law. (Repeated-2003)**

**Findings:** The Department did not inspect migrant labor camps or issue corresponding licenses as required by the Illinois Migrant Labor Camp Law as follows:

- 22 of 25 (88%) of migrant labor camps tested were not inspected 30 days prior to the date that the occupancy and use of the camp was to commence. Of the camps tested, inspections were made between 26 days prior to the proposed date of camp commencement and 82 days after the proposed date of camp commencement.
- 25 of 25 (100%) of migrant labor camps tested were not issued a license 15 days prior to the proposed date of camp commencement. Of the camps tested, licenses were issued between 5 days prior to the proposed date of camp commencement and 179 days after the proposed date of camp commencement.
- 2 of 25 (8%) migrant labor camps tested were issued licenses before being inspected by the Department.

The Illinois Migrant Labor Camp Law requires the Department, upon receipt of an application for license, to inspect the camp site and the facilities described in the application approximately 30 days prior to the date on which occupancy and use of the camp is to commence. If the camp is found to comply with the provisions of this Law, a license shall be issued at least 15 days prior to the date on which the occupancy and use of the camp is to commence.

Department personnel stated that the Department does not always know where the camps are to be located. Camps are established in various types of housing units and the Department has the ability to meet the mandatory inspection timelines only if it knows where the camps are to be located. However, often the housing is secured and the camp location is identified on the date before workers are utilized.

**Accepted or Implemented - continued**

**Response:** Accepted. Migrant labor camps are based on available housing, crop growth and the location of the work. These change from year to year and the Department is usually notified less than 30 days of the date of the operation so an inspection cannot usually be performed and licenses issued as mandated. The date of operation is determined by the crop growth which depends on the weather conditions for that year. The operation of migrant camps have changed somewhat as they were when the law was initially written. For example, workers now stay in near-by hotels rather than on the work site.

**Updated Response:** Accepted. The Division has sent legislative initiatives to Governmental Affairs to amend the law in regards to time restraints for inspection and licensing due to the changes in how housing is currently provided.

**11. Comply with the provisions of the Innovations in Long-term Care Quality Grants Act by establishing a Long-Term Care Grant program including an advisory board that provides grants to long-term care facilities. (Repeated-2003)**

**Findings:** The Department did not comply with the Innovations in Long-Term Care Quality Grants Act.

The Department did not establish a long-term care grant program. Further, the Department did not establish a commission (advisory board) to review applications for grants. Finally, the Department did not provide grants to long-term care facilities even though the Department received a \$1 million appropriation in fiscal year 2005 for this purpose.

The Act requires the Department to establish a long-term grant program that demonstrates the best practices and innovation for long-term care service, delivery and housing. Further, the Act requires that any applications for grants be reviewed, ranked, and recommended by a commission of representatives chosen from recommendations made by organizations representing long-term care facilities in Illinois. Finally, the Act requires the Department provide grants to programs that demonstrate creativity in service provisions through the scope of their program or service.

Department personnel stated that the long-term care grant program has not been established nor have grants been provided to long-term care facilities due to difficulties in identifying candidates to serve on the advisory board to the long-term care grant program.

**Response:** Accepted. This program was not implemented because of a delay in getting the Commission/Advisory Board appointed. The Office of Health Care Regulation was notified on December 6, 2005 that the members of the Commission have now been approved. The Department is in the process of setting up the initial meeting of the

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Commission which will allow for the process of reviewing and approving grants under this Act.

**Updated Response:** Accepted and Partially Implemented. The Long Term Care Quality Grants review panel has been appointed and has convened four times this current calendar year. A grant was issued to Heritage Enterprises and the Mennonite College of Nursing to establish a masters program in Gerontological Nursing. The Committee has prepared an application and developed an evaluation protocol for the grant program and is in the process of fine tuning the forms and processes before disseminating the program to the long term care community. It is anticipated that the program will be fully implemented by January of next year.

### **12. Comply with the requirements of the State Finance Act by filing accurate Travel Headquarter Reports in a timely manner. (Repeated-2003)**

**Finding:** The Department did not file 2 of 4 Travel Headquarter Reports (TA-2 Report) with the Legislative Audit Commission. Further, the other two TA-2 Reports that were filed listed incorrect headquarters for nine employees.

Department personnel stated that the reports were not filed due to workload demands and that errors were due to miscommunication with the originating office.

**Response:** Accepted. As of this date all required TA-2 reports for this 2004-2005 audit period have been submitted to the Legislative Audit Commission. With respect to incorrect headquarters designations, the Department will work closely with the impacted offices to ensure proper listings are maintained.

**Updated Response:** Implemented. The Department has filed the two required TA-2 reports following the close of the audit period. A current report is being prepared and will be filed with the Legislation Audit Commission.

### **13. Comply with State regulations to ensure that all vouchers are processed and approved. Monitor voucher payments so that interest charges can be calculated and paid as required.**

**Finding:** The Department did not exercise adequate control over voucher processing. The auditors noted the following weaknesses:

- Fifty-eight of 378 (15%) of vouchers tested, totaling \$2,158,696 were approved for payment from 1 to 193 days late.
- Thirteen of 378 (3%) of vouchers tested, totaling \$211,903 were approved for payment from 2 to 76 days late.



**Accepted or Implemented - continued**

- Thirty-six of 418 (9%) vouchers tested, totaling \$4,131,400 were not signed and dated by the receiving officer.

Department personnel indicated that the delays in processing invoices were due to oversight, the Department's workload and lack of personnel. Further, Department personnel stated that generally a receiving signature is required only for invoices for goods.

**Response:** Accepted. The Department will continue to attempt to pay vouchers within the prompt payment guidelines. The Department is working with reduced staffing but is putting forth a great effort to eliminate this finding. Receiving signatures will also be required on all invoices and procedures have already been changed to reflect this.

**Updated Response:** Implemented. The Department has implemented new procedures as of July 1, 2006 to ensure all vouchers have the required receiving signatures and an explanation as to why the payment is over the thirty day period.

**14. Comply with the requirements set forth in the Civil Administrative Code of Illinois for the Stroke Task Force.**

**Finding:** The Department did not create the Stroke Task Force until June 2005, which was approximately three years after the State law became effective. In addition, the Department did not provide an annual report to the Governor and the General Assembly until October 2004. The Act requires the Stroke Task Force to advise the Department concerning the awarding of grants to providers of emergency medical services and to hospitals for the purpose of improving care to stroke patients. Further, the Act requires the Stroke Task Force to submit an annual report to the Governor and the General Assembly by January 1 of each year, beginning in 2003.

Department personnel stated that the Stroke Task Force was not created until June 2005 due to there not being any State funding set aside for the purpose of the Stroke Task Force.

**Updated Response:** Implemented. The Illinois Stroke Task Force was created within the Illinois Department of Public Health. The Task Force is composed of the following members: 19 members appointed by Dr. Eric E. Whitaker, state public health director, five members appointed by the Governor; and four ex-officio members (selected House and Senate members). The Director of Public Health serves as the chairperson of the task force.

The Department convened Illinois Stroke Task Force meetings on June 9, 2005, September 30, 2005 and December 9, 2005. During the three meetings, the members worked to develop recommendations on the following priority areas: Primary Prevention/Public Education; EMS Notification; Response acute Care/Sub-Acute Care &

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Secondary Prevention; Rehabilitation; and Quality Improvement. Detailed plans are outlined in the 2004 and 2005 reports to the General Assembly.

During 2006, meetings were held on March 10, 2006 and on July 14, 2006 via WebEx and Conference call. Another WebEx and conference call is scheduled for December 15, 2006. The two major projects were EMS inventory and hospital inventory. The Task Force reviewed the EMS inventory questions and offered recommendations for enhancements. The EMS inventory was conducted in July 2006 through a Web-based survey. The hospital inventory development is still in progress. Members and staff have reviewed other state inventories for design, content and process for completion by hospitals. May was proclaimed as the Stroke Awareness Month by the Governor.

### **15. Comply with all aspects of the requirements of the Field Sanitation Act.**

**Finding:** The Department did not assess fines to violators upon inspection of farm operations as required by the Field Sanitation Act. During testing the auditors noted 4 of 8 (50%) field inspections performed during fiscal year 2004 and 2005 did not include the assessment of fines even though violations were noted on the field inspection forms.

The Department performed 17 inspections in fiscal year 2004 and 16 in fiscal year 2005, and no fines were assessed for either year.

Department personnel stated they did not assess penalties for violations during field sanitation inspections during FY04 and FY05. The Department's ability to assess fines for violations has served as an effective mechanism to ensure that the violations are immediately corrected, often while the Department's inspector is still on site. Thus, it has not been necessary to levy actual fines in this program although the Department would use that authority if the violation poses a severe health risk.

**Updated Response:** Accepted. The Division has sent legislative initiatives to Governmental Affairs to amend the law by classifying any violations and the fines associated with each. Such changes will have a minimal effect on revenue, but would be an additional deterrent.

### **16. The Health Facilities Planning Board should continue its efforts to implement recommendations contained in the 2001 program audit. Specifically, the Planning Board should review the recommendations noted and continue its efforts to revise its rules, criteria and standards in its effort to ensure each recommendation is addressed and fully implemented. (Repeated-2001)**

**Finding:** The Illinois Health Facilities Planning Board (Planning Board) has implemented two and partially implemented or not implemented the remaining five recommendations contained in the OAG's *Program Audit of the Illinois Health Facilities Planning Board*, released in September 2001. The program audit examined 1) whether the

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Planning Board can demonstrate that the certificate of need process is successful in controlling health care costs, allowing public access to necessary health services, and guaranteeing the availability of quality health care to the general public, 2) whether the Planning Board is following its adopted rules and procedures, 3) whether the Planning Board is consistent in awarding and denying certificates of need and 4) whether the Planning Board's annual reports reflect a cost savings to the State. The program audit was conducted pursuant to Public Act 91-0782. The Illinois Health Facilities Planning Act (20 ILCS 3960/4), which created the Illinois Health Facilities Planning Board, is scheduled to be repealed on July 1, 2006.

- 1. Assure that when conditions are required of applicants that those conditions relate to the projects being considered and comply with the Health Facilities Planning Act.**

**Updated Response:** Implemented. On September 1, 2006, the Planning Board adopted administrative rules to address this issue. Specifically, 77 IAC 1130.660(b) provides a mechanism for the Planning Board to issue a conditional permit.

- 2. The Planning Board and the staff at the Department of Public Health should take every effort to analyze their effectiveness and to make changes to improve effectiveness. This may include working with consumers, health care payors, health research groups, health care providers, health care associations, and members of the General Assembly to be certain that the Illinois health planning process serves the needs of the people of Illinois.**

**Updated Response:** Implemented. The Planning Board and the Department of Public Health have taken considerable efforts to improve effectiveness. This includes conducting research and developing reports comparing Illinois' CON program to other states. The Planning Board has also been through major rewrites of its rules and procedures. Specifically, the Planning Board has implemented significant changes to 77 IAC 1130, which became effective on September 1, 2006. Finally, the Planning Board has participated in the Illinois' Senate CON Task Force Committee. This committee has met several times during 2006 to gather information regarding the CON program and how to improve its operations and effectiveness.

In addition, the Planning Board conducted numerous public hearings during 2005 and 2006. The purpose of these hearings was to gather input from the public and members of the health care industry on how rule changes should be addressed by the Planning Board. Participants included health care consumers, health care industry representatives, the Illinois Hospital Association, the Illinois Health Care Association and the Illinois Planning Council on Developmental Disabilities. Input was obtained regarding the following: application processing; standards and criteria on the review of dialysis facilities; review criteria for ambulatory surgical treatment centers, kidney and organ transplant; and, reconfiguration of planning area boundaries for dialysis, medical/surgical, pediatric and

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ambulatory surgical services. Finally, discussions and research are currently being conducted for possible changes to the Planning Board's financial and economically feasibility criteria (77 IAC 1120). The information obtained from these meetings will be used to create and modify the Planning Board's administrative rules. Changes to these administrative rules (77 IAC 1100, 1110 and 1120) will be implemented by the end of 2006.

- 3. The Health Facilities Planning Board should examine their review criteria and make adjustments to the existing criteria or eliminate duplicative criteria to minimize the domino effect.**

**Updated Response:** Implemented. The Planning Board has implemented extensive rule changes (77 IAC 1130.620 thru 1130.680). These changes have clarified the processing of applications and provide improved parity with respect to the review process. In addition, the Planning Board is currently in the process of revising its existing rules for Parts 1110, 1110 and 1120. These will encompass substantive changes to the Planning Board's standards and criteria, which will improve both the Planning Board and the Department of Public Health's ability to be consistent when applying standards and criteria to applications.

- 4. The Health Facilities Planning Board should examine their review criteria and make adjustments to the existing criteria or eliminate duplicative criteria to minimize the domino effect.**

**Updated Response:** Partially Implemented. As previously stated, the Planning Board has implemented changes to its procedural rules (77 IAC 1130), which became effective on September 1, 2006. These changes have improved the processing of applications. In addition, the Planning Board is currently engaged in extensive rule changes regarding its standards and criteria (77 IAC 1100 and 1110). Specifically, these criteria encompass location, background of applicant, alternatives, need for the project and size of the project. It is the Planning Board's intent that the proposed changes to these rules will eliminate or substantially minimize the potential "domino effect" that may occur in the review of applications. The Planning Board anticipates these rule changes will be implemented in December 2006.

- 5. The Health Facilities Planning Board should assure that deferrals are used consistently. The Board should assure that the administrative rules are followed and that applicants are given consistent and fair consideration.**

**Updated Response:** Implemented. Effective September 1, 2006, the Planning Board implemented rule changes (77 IAC 1130.640) to clarify the process of deferrals. These amended rules will allow the use of deferrals to be more consistent for both the Planning Board and applicants. Further, the Planning Board is engaged in extensive rule changes to 77 IAC 1100, 1110 and 1120. These changes will provide parity in the review

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and processing of applications and allow the Planning Board to be more consistent in its review and consideration of applications.

- 6. The Planning Board and the staff at the Department of Public Health should take every effort to analyze their effectiveness and to make changes to improve effectiveness. This may include working with consumers, health care payors, health research groups, health care providers, health care associations, and members of the General Assembly to be certain that the Illinois health planning process serves the needs of the people of Illinois.**

*Not Implemented:* The Planning Board is in the process of evaluating all of its rules and relevant procedures. Planning Board management stated one area under consideration is the process of comparative review ("batching"). Management stated that a batching process would allow providers to submit similar applications. These applications would be evaluated against the established standards and criteria as well as against other providers. This process would then allow the Planning Board to conduct a comparative review of several proposals and select the application which best meets the needs of the planning area while simultaneously meeting the Planning Board's mandate of improving access to quality health care services and facilities.

**Updated Response:** Partially Implemented. As previously stated, the Planning Board is in the process of evaluating its administrative rules and relevant procedures. These changes will address the Auditor General's concerns regarding the consistent treatment of applicants. This process is ongoing and the Planning Board anticipates that significant portions of its administrative rules will be amended by December 2006.

In regards to comparative reviews, the Planning Board has taken under consideration the prospect of "batching" applications. A batching process would allow multiple entities to submit similar applications. This process would allow the Planning Board to conduct a comparative review of several proposals and select the application which best meets the needs of the planning area. In order for a batching process to be implemented, however, significant amendments would need to be made to the Planning Board's administrative rules. The Planning Board is currently reviewing this process and will implement rule changes should it determine that a batching process is warranted.

- 7. The Board should consider issuing a statement of findings for why a project is approved or denied. This should be done for all projects approved as well as projects receiving an intent-to-deny, an initial denial, and a final denial. For denials, this statement should not just reiterate the criteria not met in the State Agency Report since most projects are approved without meeting all criteria.**

**Updated Response:** Partially Implemented. At present, there is no formal process regarding a statement of findings. At the encouragement of its Legal Counsel, however,

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the members of the Planning Board are stating for the record why they believe an application does (or does not) have merit and why it should (or should not) be approved. Further, the Planning Board meetings are transcribed by a certified court reporter and these transcripts can serve as the Planning Board's "statement of findings".

### **Emergency Purchases**

The Illinois Purchasing Act (30 ILCS 505/1) states "The principle of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts ...." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption for emergencies "involving public health, public safety, or where immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage ... prevent or minimize serious disruption in State services or to insure the integrity of State records, or to avoid lapsing or loss of federal or donated funds. The chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make 'quick purchases', including but not limited to items available at a discount for a limited period of time."

State agencies are required to file an affidavit with the Auditor General for emergency procurements that are an exception to the competitive bidding requirements per the Illinois Purchasing Act. The affidavit is to set forth the circumstance requiring the emergency purchase. The Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY04, the Department filed three affidavits for emergency purchases totaling \$173,136.75 for laboratory services, ads warning of West Nile virus and mosquito abatement. During FY05, The Department filed two affidavits for emergency purchases totaling \$135,750 for Td vaccine and to develop a new EMT test.

### **Headquarters Designations**

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State Agency is required to file reports of all its officers and employees for whom official headquarters have been designated at any location other than that at which official duties require them to spend the largest part of their working time.

On July 26, 2006 the Department indicated it had 426 employees assigned to locations other than official headquarters. The Department previously filed a TA-2 on July 13, 2004 indicating that 443 employees spent the majority of their working time on duties at locations other than their official headquarters. The Department filed no TA-2s in calendar year 2005.